



# Department of Justice

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THURSDAY, NOVEMBER 17, 2011  
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**FLORIDA-BASED SEA STAR LINE LLC AGREES TO PLEAD GUILTY AND ITS  
FORMER PRESIDENT IS INDICTED FOR PRICE FIXING ON COASTAL FREIGHT  
SERVICES BETWEEN THE CONTINENTAL UNITED STATES AND PUERTO RICO**

*Sea Star Line Also Agrees to Pay \$14.2 Million Criminal Fine*

WASHINGTON – Sea Star Line LLC has agreed today to plead guilty and to pay a \$14.2 million criminal fine for its role in a conspiracy to fix prices in the coastal water freight transportation industry, the Department of Justice announced. Additionally, a federal grand jury in San Juan, Puerto Rico, returned an indictment against Frank Peake, the former president of Sea Star Line, for his role in the same conspiracy.

According to a one-count felony charge filed today in U.S. District Court for the District of Puerto Rico, Sea Star Line, whose principal place of business is in Jacksonville, Fla., engaged in a conspiracy to fix rates and surcharges for water transportation of freight between the continental United States and Puerto Rico from as early as May 2002, until at least April 2008. According to a one-count indictment filed today in the same district, Peake participated in the conspiracy from at least as early as late 2005, until at least April 2008.

Sea Star Line transports a variety of cargo shipments, such as heavy equipment, perishable food items, medicines and consumer goods, on scheduled ocean voyages between the continental United States and Puerto Rico.

According to the court documents, Sea Star Line, Peake and co-conspirators carried out the conspiracy by agreeing during meetings and communications to allocate customers of Puerto Rico freight services and to rig bids and fix the rates and surcharges to be charged to purchasers of water transportation of freight between the continental United States and Puerto Rico. The department said that Sea Star Line, Peake and co-conspirators also engaged in meetings for the purpose of monitoring and enforcing adherence to the agreed-upon rates and sold Puerto Rico freight services at collusive and noncompetitive rates.

In addition to today's charges, as a result of this investigation, on April 30, 2011, Horizon Lines LLC was sentenced to pay a \$15 million criminal fine, and five former shipping executives from both Sea Star Line and Horizon Lines have been sentenced to pay a total of nearly \$85,000 in criminal fines and to serve more than 11 years in prison, collectively.

Sea Star Line and Peake are charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$100 million for corporations, and a maximum penalty of 10 years in prison and a \$1 million fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges arose from an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the coastal water freight transportation industry, which is being conducted by the Antitrust Division's National Criminal Enforcement Section; the Baltimore Resident Agency of the Department of Defense's Office of the Inspector General, Defense Criminal Investigative Service (DCIS); the Miami Field Office of the Department of Transportation's Office of Inspector General; and the Jacksonville Field Office of the FBI. Anyone with information concerning anticompetitive conduct in the coastal water freight transportation industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694, visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm) or contact DCIS's Baltimore Resident Agency at 410-347-1620.

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